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DEPT FOR WHA/CCA JARAHN HILLSMAN

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TAGS: [ETRD](#) [ETTC](#) [EFIN](#) [EINV](#) [PREL](#) [PHUM](#) [FR](#) [CU](#)  
SUBJECT: FRANCO-CUBAN RELATIONS: RESPONSE TO REVIEW FOR  
SUSPENSION OF TITLE III OF THE LIBERTAD ACT

REF: SECSTATE 115416

Classified By: Political Counselor Andrew Young, Reasons 1.4(b),(d).

11. (C) SUMMARY: France advocates democratic advancement and the protection of fundamental human rights in conjunction with the joint EU position on Cuba. Although diplomatic ties have been frayed since 2003, the GOF supports continued dialogue with Havana on democratization and the release of political prisoners while simultaneously seeking greater bilateral economic cooperation and potential normalization of relations in the near future. END SUMMARY

#### POLITICAL ENGAGEMENT

12. (C) MFA desk officer for Cuban affairs Rafael Pont characterized the state of Franco-Cuban relations as stalled by the lack of tangible results in the area of democracy and human rights. Meeting with poloff on November 18 in response to refel demarche, Pont stated that France seeks to encourage Cuba to evolve peacefully toward a pluralist democracy yet considers the dire human rights situation and encroachment on fundamental freedoms an obstacle blocking significant progress in bilateral relations. Although the French Embassy in Havana maintains contact with both Cuban authorities and dissident groups, he remarked that Franco-Cuban ties have not yet recovered from the European Union decision to impose diplomatic sanctions on Cuba in 2003, after Havana imprisoned 75 presumed opponents of the Communist government. Calling the conditions imposed by the EU "unacceptable," Havana retaliated with restrictive measures of their own against the EU member states, resulting in a diplomatic freeze until a French led attempt during their EU presidency to reinvigorate negotiations at the EU level last year.

13. (C) Following the European Council decision in June 2008 to lift the limitations on high-level European visits to Cuba, Foreign Minister Bernard Kouchner met with his Cuban counterpart Felipe Perez Roque in Paris at the meeting of the EU Troika with Cuba on October 16, 2008, to discuss the future of the EU-Cuba relationship. After the EU troika meeting with Cuba, European Commission Commissioner for Development and Humanitarian Aid, Louis Michel, and Cuban FM Perez Roque announced the re-launching of EU-Cuba cooperation on October 24. The agreement, of which France is a partner through its membership in the EU, will include a new framework on environment, science and technology, trade, cultural exchanges, and disaster preparedness. European Commission funding is slated to be 40 million euros in 2009 and 37 million euros in 2010, according to Pont. He also commented that the EU Troika discussions on human rights, food security, and the global economic crisis prompted the French government to continue the dialogue and engage directly with the Cuban government. At the request of President Sarkozy, former minister of culture Jack Lang traveled to Cuba from February 23 to 25, 2009, as the special

envoy to explore ways of significantly improving and possibly normalizing bilateral relations. Despite Lang's visit, there has been little progress restoring political and economic dialogue between the two countries. Since Lang's trip to Havana, there have been no other high-level visits by French officials to Cuba and the French have not received any high-level Cuban officials.

14. (C) Pont underscored that the French policy position on Cuba is much in line with the European framework established in December 1996. He stressed that France always operates in tandem with the common position adopted by the EU member states but seeks to further bilateral cooperation in commercial aspects. Pont noted that despite French disappointment regarding the lack of political development in recent years and the Cuban refusal to release all political prisoners, the GOF will not resort to applying economic pressure on Cuba through the use of an embargo or provisions of extra-territorial scope. He explained that France has supported since 1996 the United Nations General Assembly resolution on "the necessity of ending the economic, commercial, and financial blockade against Cuba" and will continue to vote in favor of the UNGA resolution this year. Of the international missions present in Havana, Pont said, France and Spain are the only two with sizeable consular sections - complete with biometric fingerprinting machines - to cope with high demand for tourist visas.

#### ECONOMIC RELATIONS

15. (C) According to Pont, Franco-Cuban economic relations are largely dominated by the issue of Cuban debt owed to

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France. Since the unilateral Cuban moratorium on the repayment of external debt in 1986, Havana's foreign liability represents a total of 389 million euros (\$578 million) in non-consolidated debt and 86 million euros (\$127 million) in consolidated debt (excluding interest on arrears). Arrears owed to French insurance company for foreign trade (COFACE) represents over 100 million euros (\$148 million). Following the failure of Paris Club negotiations in 2001, the GOF is awaiting a commitment from Cuban authorities to reopen negotiations. Pont discussed the challenge of overcoming restrictions set by Havana on transferring private French-owned assets earned in Cuba back to France. Cuba has nominally been part of the Priority Solidarity Zone (PSZ) defined by France since 1999. Although inclusion in the PSZ gives access to large-scale development aid actions, Cuba has been excluded from the benefits of the zone for failure to demonstrate progress on the advancement of human rights and the promotion of democracy.

16. (C) In 2008, French exports to Cuba totaled 107 million euros (\$159 million) while Cuban exports to France totaled 28 million euros (\$42 million). Overall, approximately 60 French companies are active in Cuba, through partnerships with Cuban entities, representative offices, and companies owned by French expatriates, with twenty in the form of branches and thirteen firms considered international economic associations. French businesses have a relatively large presence in Cuba, with Pernod-Ricard (Rhum Havana Club), domestic gas conglomerate Total, and the telecommunications giant Alcatel-Lucent representing the more significant French investment in Cuba. In partnership with the army, Bouygues has a growing role (estimated at 80 percent of new hotel construction) in real estate developments in Cuba. French banks BNP-Paribas, Societe Generale, and OCEOR constitute the primary private lenders in Cuba after the Bank of International Settlements. In the tourism industry, French operators Nouvelle Frontieres and Framvoyages are present in Cuba. Air France has a significant presence in the aviation market.

#### CULTURAL COOPERATION

17. (C) Since 2003, intergovernmental cooperation between France and Cuba has been frozen by Havana as a result of conditions put in place by the 2003 EU framework. Pont noted that the GOF continues to assist the people of Cuba and Cuban civil society through cooperation with NGOs, local authorities, and universities. In the context of private partnerships, limited cultural and research exchanges are still possible, according to Pont. The education and dissemination of the French language, the second most taught foreign language in Cuba after English, has become a priority for the MFA, with a focus on expanding the Alliance Francaises available in Cuba beyond Havana and Santiago, where students currently number over 7,000. Although it belongs to the PSZ, Cuba is no longer eligible for PSF (Priority Solidarity Funds) but is eligible to set up Social Development Funds. Pont stated that university cooperation and research in biotechnology, agronomy, the environment, medicine, the sciences, and engineering are likely to increase in the near future.

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